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16 January 1946

MEMORANDUM

TO: The Executive to the Assistant Secretary of War.
SUBJECT: Status of the Strategic Services Unit

With reference to your memorandum of 16 January 1946, the following information is submitted as a basis for a reply to the request for information from the Chairman of the House Committee on Military Affairs.

The Office of Strategic Services was terminated and all of its personnel, records, property and funds, except those connected with certain functions transferred to the State Department, were transferred to the Department of War by Executive Order 9521, dated 20 September 1945. The same Order transferred to the Secretary of War "the functions of the Director of Strategic Services and of the United States Joint Chiefs of Staff, relating to the functions transferred by this paragraph, *et cetera*". The Executive Order states that, "The Secretary of War shall, whenever he deems it compatible with the national interest, discontinue any activity transferred by this paragraph and wind up all affairs relating thereto." This Order was effective 1 October 1945.

(OSS: Wash-Div Ad-24; carbon)

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By a letter of 27 September 1945, the Secretary of War, Mr. Patterson, designated the agency to carry out the functions transferred to the War Department as the Strategic Services Unit and directed it to continue the program of liquidation of activities and personnel no longer necessary or desirable, and to "preserve as a unit such of these functions and facilities as are valuable for permanent peace-time service or which may be required for theater commanders or occupational authorities to assist in the discharge of their responsibilities". Supervision of the unit was assigned to the Assistant Secretary of War. Further detailed instructions were given the Director of the Strategic Services Unit in a memorandum from Mr. McCloy, then the Assistant Secretary of War, which pointed out that in reviewing the facilities of the Office of Strategic Services for appropriate disposition it would be necessary to maintain close liaison with the Bureau of the Budget, the State Department and other agencies of the War Department, "to insure that the facilities and assets of OSS are preserved for any possible future use, so far as not presently to be liquidated in any event by reason of the termination of hostilities". Mr. McCloy further specified that any integration of its activities with those of other agencies of the War Department should proceed only after consultation with the Bureau of the Budget and the

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State Department in accordance with the wishes of the President, expressed in a letter of 20 September to the Secretary of State, that the Secretary of State take the lead in surveying the field of intelligence operations.

In accordance with the above directives, the Strategic Services Unit has continued the process of liquidation begun by OSS upon the termination of hostilities, and has completed the elimination of those functions which related directly to combat activity and the operations of the various armies in the field.

In answer to your first question, the following figures are given for the dates of 1 October, when the Unit was established, to 11 January, which is the latest date for which adequate figures are available:

1 October 1945

	<u>U.S.</u>	<u>Abroad</u>
Military	2650	4547
Civilian	1050	801
Totals	<u>3700</u>	<u>5348</u>
Grand Total		9048

11 January 1946

Military	1168	920
Civilian	601	323
Totals	<u>1769</u>	<u>1243</u>
Grand Total		3020

Enroute or in process of separation 11 January

Military	327	224
Civilian	20	145
Totals	<u>347</u>	<u>369</u>

Grand Total
Not operating strength
on 11 January

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With regard to the second question, the Strategic Services Unit is engaged in certain activities in the various theaters which are directed and coordinated by the headquarters in Washington. These activities are of a dual nature. On one hand, there are staffs in former zones of hostilities engaged in the process of completing the liquidation of the establishments in those areas. These are mere skeleton staffs engaged in primarily administrative duties. On the other hand, there are certain continuing intelligence activities which are being carried on in support of the various theater commanders.

As noted in the first paragraph of this memorandum, the basic authority and direction is placed in the Secretary of War. Mr. Patterson delegated this authority to Brigadier General John Magruder with directions to report to the Assistant Secretary of War. In view of the President's desire, expressed in his letter to the Secretary of State of 20 September 1945, to have the Secretary of State take the lead in surveying the field of intelligence, the unit has been maintained by the War Department as a separate entity in the Office of the Assistant Secretary of War.

The current expenditures of the Strategic Services Unit are being paid out of the appropriation for the Office of Strategic Services contained in Public Law 156, Seventy-Ninth Congress, First Session.

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In answer to the last question, eighty-six new civilian appointments have been made since 1 October. Seventy-five of these, however, represent changes in status within the organization from military to civilian or are occasioned by re-employment rights of veterans. The other eleven employees added to the rolls have been required for key administrative or clerical positions because of their special qualifications. It is believed not to be in the public interest to provide general lists of employees in this intelligence organization. I should be glad, however, to furnish to your committee such information as may be required in the public interest with respect to any individual in the organization.

John Magruder
Brigadier General
Director

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